GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

STARRED QUESTION NO:305
ANSWERED ON:11.12.2001
PSUS IN DRUG SECTOR
SULTAN SALAHUDDIN OWAISI

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that all the Public Sector Undertakings in the drug sector have been declared sick;

(b) if so, the reasons therefor;

(c) whether these PSUs have played a major role in producing medicines at low cost;

(d) if so, whether all the medicines produced by these PSUs are being imported by spending huge foreign exchange;

(e) if so, whether Government have conducted any study about the foreign exchange being spent on the import of medicines and revival package of these PSUs;

(f) if so, the outcome thereof; and

(g) the strategy chalked out by Government to boost the domestic drug industry for production of medicines at low cost?

Answer

MINISTER OF CHEMICALS AND FERTILIZERS (SHRI SUKHDEV SINGH DHINDSA)

(a) to (g) : A statement is laid on the table of the House

Statement referred to in reply to Part (a) to (g) of Lok Sabha Starred Question No305 for answer on 11th December, 2001 tabled by Shri Sultan Salahuddin Owaisi

(a) All the Central PSUs in the pharmaceutical sector have been declared sick by the Board for Industrial and Financial Reconstruction (BIFR).

(b) & (c) The reasons of sickness are the severe competition from private sector, large employee related costs, inability of the Government to extend Budgetary support and a heavy burden of various social overheads.

(d) to (f) Imports of all drugs including those in the product range of the PSUs areallowed except in a few cases. Imports are dependent upon requirement in the country, indigenous production and international price vis-Ã -vis the domestic prices.

The BIFR had sanctioned revival packages for Indian Drugs & PharmaceuticalsLtd.(IDPL), Smith Stanistreet Pharmaceuticals Ltd.(SSPL), Bengal Immunity Ltd.(BIL)and Bengal Chemicals & Pharmaceuticals Ltd.(BCPL)However, the sanctioned packages for IDPL,SSPL and BIL have failed to revive these companies.

(g) The Drug Policy, 1986 is directed towards creating an environment conducive to channelising new investment into the pharmaceutical industry, to encouraging cost effective production with economic sizes, and to introducing new technologies and new drugs; and strengthening the indigenous capability for production of drugs. Industrial licensing for all bulk drugs and formulations cleared by Drug Controller General of Indiahas been abolished except in a very few cases. Higher return for basic stage production and exemption from price control for production based on indigenous R & D has beenprovided in the Drugs (Prices Control) Order, 1995.